APPENDIX A

Lease between the State of Oregon and The Boeing Co., of record in Morrow County, Oregon, Deed Book 70, pp. 241-74.

Appendices to this lease are omitted from this Appendix.

LEASE

This Lease made as of the 2nd day of July, 1963, by and between the State of Oregon, acting by and through the State Land Board, Lessor ("the State"), and The Boeing Company, a Delaware corporation, Lessee ("the Company"), witnesseth that:

RECITALS

A. Part of the lands described in Schedule A hereto ("the premises") now are owned by the State; part of the premises now are owned by the United States of America acting by and through the Department of the Navy ("Navy"); part of the premises now are owned by the United States of America acting by and through the Department of Interior ("Interior") and the Corps of Engineers ("the Corps").

B. Navy is empowered by Section 207 of Public Law 86-500, 74 Stat. 166, 175, The Reserve Forces Facilities Act of 1960, as amended by Public Law 87-356, 75 Stat. 777, to convey to the State Navy lands within the premises ("Navy lands") in ex-

change for the State's conveyance to Navy of other lands and facilities suitable for Navy purposes. A complete substitute facility has been provided and is available for use by Navy.

C. The Corps has authority and has taken steps to acquire the Interior lands within the premises and is empowered by Section 108 of Public Law 86-645, 74 Stat. 480, to convey to the State the Corps and Interior lands within the premises ("Corps lands") subject to a standard flowage easement and subject to reversion to the Corps in the event of non-use or substantial departure from an approved plan of development.

D. The State has been granted legislative authority to marshal and acquire Navy and Corps lands and has taken preliminary steps to acquire these lands.

E. Pending acquisition of the Navy and Corps lands, the State has obtained permission from Navy, Interior, and the Corps for the State and its lessees to go upon the Navy and Corps lands.

F. Upon acquiring the premises, and pursuant to legislative authority, the State proposes to lease the premises to the Company and the Company desires to rent the premises from the State upon the terms and conditions set forth hereinafter.

. . . . . .

8. *Waterfront Property.* The parties hereto recognize that the State's title to the waterfront property within the premises is subject to certain condi-

tions and use restrictions as set forth in Schedule B. Notwithstanding this, the Company shall have unrestricted use of the waterfront property and full riparian rights in conjunction therewith, and the State shall exercise every effort to secure, preserve and protect such rights. The State's failure to perform its obligations pursuant to this paragraph 8, or any interference, of any nature and from whatever source, with the Company's intended or desired industrial use or development of the waterfront property, whether or not such intended or desired industrial use or development is consistent with an approved plan of development, shall constitute a breach of the State's covenant of quiet and peaceful possession, use and enjoyment pursuant to subparagraph 4(a) of Article II hereinabove. The State's obligation with respect to waterfront property shall include but not be limited to the following:

(a) The State shall use every effort to secure approval by the Corps, or its successors in interest, of any proposed plan or amendment to existing plans for development or use of the waterfront property which may be requested by the Company.

(b) The State shall use every effort to acquire and make application for any additional waterfront property contiguous with or adjacent to the premises which the Company may require or desire for use or development for industrial or port facilities in conjunction with the use of the premises by the Company or its subtenants.

(c) The State shall use every effort to acquire and make application for any and all additional waterfront property contiguous with or adjacent to the premises which are or may become available pursuant to Section 108 of Public Law 86-645, 74 Stat. 480, or any other or similar legislation presently in force or hereafter enacted.